

COMMENT SET 8: CITY OF GOLETA



September 15, 2006

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Mr. Peter Strait
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

VIA FACSIMILE (916) 574-1810,
E-MAIL, AND U.S.MAIL

**Re: Draft EIR for the Venoco Ellwood Marine Terminal Lease
Renewal Project**

Dear Mr. Strait:

Thank you for the opportunity to comment on the Draft Environmental Impact Report (DEIR) for the Venoco Ellwood Marine Terminal Lease Renewal Project. Planning has always been at its best when it has been able to show people and communities the choices they have in shaping their future. Unfortunately, in our view, this document does not offer a viable range of alternatives that accomplish this objective. The City of Goleta has the following comments on the DEIR.

General Comments and Concerns

The City of Goleta supports the cessation of marine terminal operations and barging as soon as possible. In doing so, the City supports the Pipeline Transportation Alternative, the alternative described in Section 3.3.3 of the DEIR, or if immediate cessation of barging is not possible, a similar alternative that allows a temporary and short-term extension of Lease PRC 3904.1 while a pipeline is constructed. The Pipeline Transportation Alternative would not extend the term of Lease PRC 3904.1 for the offshore marine terminal components and would instead require transportation of processed crude oil by pipeline to a tie-in with the All American Pipeline at Las Flores Canyon. The City notes that this alternative was identified as the environmentally preferable alternative but was not identified as the Environmentally Superior Alternative.

CG-1

The DEIR did not identify the Pipeline Transportation Alternative as the Environmentally Superior Alternative because it was characterized as a sub-alternative within the No Project Alternative. The EIR could and should, however, address pipeline transportation

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CG-1
cont.

as a viable alternative that could, and indeed would (based on the impact analysis in the DEIR), be identified as the Environmentally Superior Alternative. The EIR needs to identify the range of feasible alternatives regardless of jurisdictional authority. That portions of the permitting for the Pipeline Transportation Alternative would not fall within the direct jurisdiction of the California State Lands Commission (CSLC) is immaterial to the CEQA process and the identification of the environmentally superior alternative. The Pipeline Transportation Alternative may not be dismissed under State CEQA Guidelines Section 15126.6(e)(2). This alternative would result in the cessation of barge and marine terminal operations significantly earlier than 2013, while still allowing the basic objectives of the project to be realized. The EIR needs to provide and present information for its substantive value rather than engage in the narrow framing of a core issue by placing the Pipeline Transportation Alternative under the No-project Alternative.

CG-2

Moreover, a new and separate alternative that includes the components of the Pipeline Transportation Alternative but that allows for short-term continued operation of the marine terminal and barging while the onshore pipeline to Las Flores Canyon is permitted and constructed should be included and analyzed in this EIR. This alternative would best be characterized as a temporary extension of Lease PRC 3904.1 during conversion to pipeline transportation. Such an alternative would also allow the cessation of barge and marine terminal operations significantly earlier than 2013, while still allowing the project objectives to be realized. In discussing this alternative, the DEIR should specify the estimated duration of the temporary extension of the lease.

Continued operations of the Ellwood Marine Terminal and Barge Jovalan present unacceptably high risks and consequences associated with marine oil spills. The DEIR describes the probabilities and types of oil spills associated with continued operation of the barge and marine loading pipeline. The DEIR notes on pages 4.2-16 and 4.2-17 that a hole in the marine loading line's hose assembly as big as two to three inches in diameter would not be detected by existing safety mechanisms (low pressure sensors) and could result in a large marine oil spill, particularly if it occurred during the night where visual detection would not be possible either. This is an unacceptable risk that could be avoided by requiring transport of sales-grade oil via an onshore pipeline.

Superior leak detection measures for an onshore oil pipeline would enable all leaks to be detected promptly, with much smaller worst-case oil spill volumes. Furthermore, containment and clean-up of onshore spills is superior to containment and clean-up of marine spills.

Similarly, the unacceptable risk of a large marine oil spill from an accident involving the single-hulled Barge Jovalan would be eliminated by requiring transport by pipeline, as described in the Pipeline Transportation Alternative. In addition to the marine spills resulting from hull rupture, which is described in numerous sections of the DEIR, other barge release scenarios are described in Section 4.2, starting with page 4.2-17, Table 4.2-6, Current Operations Pipeline System Failure Rates and Probabilities, notes a

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lifetime spill probability of 84% for an EMT loading line marine oil spill. Cessation of tanker loading and operation as soon as possible would eliminate these marine oil spill risks.

The consequence of a marine oil spill is also unacceptable. The area surrounding the marine terminal is comprised of relatively pristine beach and coastal areas that are valued both for their environmental resources and recreational use. The DEIR on page 4.2-65 states: "Due to the proximity of the loading area to sensitive habitats, a spill from the barge or loading line would most likely impact sensitive habitats." On page 4.2-28, the DEIR notes that up to 69% of the volume of an oil spill would end up on the shoreline. The impact of such a spill on nearby beaches and coastal areas, not to mention the impact on marine wildlife and habitat, would be avoided by requiring transport of sales-grade oil via an onshore pipeline.

Other General Comments

- CG-3 Many of the impact discussions include proposed mitigation measures and a section describing the rationale for mitigation, but a discussion of residual impacts is not consistently included. Each Class I and Class II impact discussion should clearly indicate the residual impact and whether this impact remains significant or not.

Specific Comments

- CG-4 p. 1-6, lines 1-4. The DEIR notes a potential increase in oil throughput of 1500 to 2000 bbls/day as a direct result of the Holly Redrill Project, which was approved in September 2001 and which allowed re-drilling of three production wells. This estimate of increased production seems high, and based on the information in the proposal for the Holly Redrill project, this project should be complete by now. Please clarify the status of the re-drill project in terms of how many of the three re-drilled wells have been completed, and what has been the actual increase in daily production levels.
- CG-5 p. 2-17, Section 2.3.7. This section should note the recent suspension of barge operations as a result of improperly functioning equipment on Barge Jovalan, the nature of the problem, and the ensuing shutdown of production on Platform Holly. The lack of a suitable marine transport alternative should be noted in this section.
- CG-6 p. 4.2-59, Mitigation Measure HM-3a. This mitigation measure would require new equipment to either ensure that the loading line can be operated in a vacuum or to implement a method for evacuation of the loading line in the event of a leak. The mitigation measure is required to reduce the level of Impact HM-3, which is noted as a Class II (Potentially Significant, but Mitigable) Impact. The DEIR's discussion of the rationale for this mitigation measure indicates that equipment changes would implement this measure, but gives no indication of how long it would take to implement the equipment change. An indication of such a time-frame is necessary to ascertain that the measure would be able to reduce the level of impact. A requirement to implement

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- CG-6
cont. | the measure in some specified time-frame would better ensure that this mitigation is adequate.
- CG-7 | p. 4.2-60, Mitigation Measure HM-4a. This mitigation measure also requires the installation and operation of new equipment on the loading line. In this case, flow meters at either end of the line are recommended to monitor for any flow imbalances. The mitigation measure is required to reduce the level of Impact HM-4, which is noted as a Class II (Potentially Significant, but Mitigable) Impact. The DEIR's discussion of the rationale for this mitigation measure gives no indication of how long it would take to implement the recommended equipment change. An indication of such a time-frame is necessary to ascertain that the measure would be able to reduce the level of impact. A requirement to implement the measure in some specified time-frame would better ensure that this mitigation is adequate.
- CG-8 | p. 4.2-62, Mitigation Measure HM-6a. This mitigation measure requires the utilization of "a non-destructive testing procedure, which will enable inspection of the loading pipeline from the pump-house to the hose connection...." (emphasis added). The impact discussion mentions retractable/bi-directional pigs that could be used to inspect the line. Please clarify that these retractable/bi-directional pigs are able to negotiate the non-uniform inside-diameter of the pipeline as well as any bends in the pipeline.
- CG-9 | p. 4.2-66, Mitigation Measure HM-9a. This mitigation measure requires conversion to a double-hulled barge by 2010. The mitigation measure as proposed arbitrarily selects 2010 as the conversion date requirement, when an earlier deadline is possible and would provide more effective mitigation. Using 2010 as the deadline simply because this timeframe has been established by CFR Title 33 is improper. This mitigation measure is proposed to reduce the impact of a specific project under CEQA, and an earlier timeframe that would provide better environmental protection is warranted and should be applied under CEQA.
- CG-10 | p. 4.2-76, Impact HM-13. This impact discussion should reference Section 4.5 where there is additional discussion of potential impacts related to the onshore pipeline alternative. If appropriate, this impact discussion should specifically reference the impact and mitigation measure discussions for Impact BIO-9 and Impact BIO-10.
- CG-11 | Section 4.5.3. Onshore Biological Resources, starting on page 4.5-35. This section lacks an adequate discussion of the Southern farplant, which is prevalent on the EMT property and has been noted in the EMT tank containment areas and dikes, as well as the surrounding area.
- CG-12 | Section 4.7.1, Environmental Setting, Land Use, beginning on p. 4.7-1. The City of Goleta's General Plan contains a policy in its Land Use Element related to the Ellwood Marine Terminal (LU-10.5) This policy supports the cessation of tankering and the termination of the EMT lease. Section 4.7.1 should include a discussion of this policy and how the proposed project would or would not conform to this policy. Alternatively, if

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cont. appropriate, this discussion could be in Section 4.7.2. The City notes that the Pipeline Transportation Alternative would implement the objectives of General Plan Policy LU-10.5, and that this statement should be included in the alternatives discussion of Section 4.7.

CG-13 Section 4.7.5, Impacts of Alternatives, p. 4.17-18. The EIR should note that for all alternatives, in addition to decommissioning of the marine terminal and its components, Line 96 would also need to be decommissioned. Please note that the City of Goleta has policies in its General Plan (refer to Policy LU 10.3d and LU 10.3e) related to the disposition of oil and gas pipelines, once they are no longer in use. These policies support removal of decommissioned pipelines, with abandonment in place allowed in certain circumstances. Removal or other activities to address decommissioned pipelines would have potential impacts in other impact areas including biological resources, cultural resources, air quality, water quality, hazards and hazardous materials, and recreation. Where appropriate in other EIR sections regarding Impacts of Alternatives, the partial removal and other activities associated decommissioning of Line 96 should be mentioned.

CG-14 Section 4.9.1, Environmental Setting. The City's proposed Final General Plan (September 2006) is available. Some of the existing traffic conditions appear to be incorrect or based on a previous draft of the General Plan. For example, on Table 4.9-4 (page 4.9-8), the Existing Volume/Capacity (V/C) and Level of Service (LOS) for the Storke Road/Hollister Avenue intersection are stated as 0.84 and D, respectively. According to the Transportation Element in the September 2006 General Plan, the V/C and LOS for this intersection should be 0.77 and C. Please check the data reported in this section of the EIR against the September 2006 Transportation Element and correct as appropriate. The Impact Analysis and Mitigation discussion may also need to be updated.

CG-15 Section 4.10.5, Pipeline Transportation, Mitigation Measure N-3a, page 4.10-12. This mitigation measure would ensure that construction activities do not occur between 7:00 pm and 7:00 am on weekdays and Saturday, while prohibiting work on Sundays and holidays. The City of Goleta's standard noise mitigation requirements do not allow work on Saturdays and restricts the hours of potentially noise-intrusive work to 7:00 am to 4:00 pm for non-residential areas and to 8:00 am to 5:00 pm for work in or near residential areas. This mitigation measure should be revised to be consistent with the City standard.

Again, thank you for the opportunity to comment on the draft EIR. We look forward to advance notification of the availability of the proposed FEIR, as well as the hearing on the project before the State Lands Commission. Furthermore, the City hereby makes a formal request to meet and confer on procedural and processing path matters that are related to alternatives to the proposed project. If you have any questions about these concerns, you may contact me at (805) 961-7540.

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Sincerely,



Steve Chase
Director
Planning and Environmental Services

cc. Dan Singer, City Manager
Julie Biggs, City Attorney
Paul Thayer, California State Lands Commission
Dwight Sanders, California State Lands Commission
Paul Mount, California State Lands Commission
Alison Dettmer, California Coastal Commission
Doug Anthony, Santa Barbara County Energy Division
Terry Dressler, Santa Barbara Air Pollution Control District
Tye Simpson, University of California, Santa Barbara



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RESPONSE TO COMMENT SET 8: CITY OF GOLETA

- 1 CG-1 The No Project Alternative, along with the evaluation of pipeline and
2 truck transportation options, is consistent with the intent of State CEQA
3 Guidelines section 15126.6(e)(2), as "...would be reasonably expected
4 to occur in the foreseeable future if the project were not approved..." As
5 described in Section 3.3.1, in the event a lease extension were not
6 granted for the EMT, Venoco would be required to find an alternative
7 mode of crude oil transportation and would be reasonably expected to
8 operate on year-to-year lease extension as has been the case since
9 February 2003. The evaluation of the pipeline transportation option as
10 an alternative that is separate from the No Project Alternative would
11 neither reflect the actual causality involved nor substantively differ from
12 the current analysis of pipeline transportation; that is, it would provide
13 no new information on potential environmental benefits or impacts.
- 14 CG-2 This comment is an alternate description of consequences of the No
15 Project Alternative. See also response to Comment CG-1 above.
- 16 CG-3 The potential significance of each impact is identified in each impact
17 statement. These classifications represent the potential significance
18 considering the implementation of mitigation. By definition, Class I
19 impacts are designated when, after the application of all available,
20 feasible mitigation, the potential for a significant impact remains, i.e., a
21 residual impact. This is not the case in a Class II impact where, after
22 mitigation, the impact is reduced to a level below the significance
23 criteria.
- 24 CG-4 The redrill project has not yet been completed. Therefore, actual oil
25 production levels are not available. Accordingly, the DEIR
26 conservatively evaluated the maximum credible production that could
27 result as a result of the redrill project.
- 28 CG-5 The DEIR was written before the suspension of barge operations. The
29 Final EIR includes a discussion of this event on page 4-2.
- 30 CG-6 An indication of the timeframe, i.e., 1-2 months, in which the equipment
31 could be installed, has been added to the text on page 4-20.

1	CG-7	An indication of the timeframe, i.e., 1-2 months, in which the equipment
2		could be installed, has been added to the text on page 4-22.
3	CG-8	Clarification as to the capabilities of the pigs has been added to the
4		Impact HM-6 discussion on page 4-22.
5	CG-9	Mitigation Measure HM-9a has been revised to require conversion to a
6		double-hulled barge within 18-months of lease approval (see page 4-
7		25).
8	CG-10	References to the BIO section have been added in the text on Page 4-
9		26.
10	CG-11	Additional information on the southern tarplant (<i>Centromadia parryi</i> ssp.
11		<i>australis</i>) has been added in the text on page 4-40.
12	CG-12	Clearly, the Goleta General Plan was not an approved plan at the time
13		the DEIR was written and did not take effect until November 1, 2006.
14		However, the Final EIR has been modified to include a discussion of
15		the approved General Plan and Specifically Land Use Element LU-10.5,
16		as it affects the proposed Project.
17	CG-13	As stated in Section 3.3.1, lines 12-16, "The decommissioning of the
18		marine terminal would be governed by an Abandonment and
19		Restoration Plan, a copy of which has been submitted to the California
20		State Lands Commission (CSLC), Santa Barbara County, and the city
21		of Goleta as a component of Venoco's "Development Plan Application
22		for Ellwood Oil Pipeline Installation and Field Improvements" (Venoco
23		2005). Also, Venoco's Full Field Development Project proposes to
24		abandon the EMT and Line 96. The DEIR for this project, which is
25		recently underway, will evaluate the abandonment of the EMT and Line
26		96.
27	CG-14	The DEIR was based on the most recent information available at the
28		time the document was drafted. The Final EIR includes the updated
29		information on pages 4-43 and 4-44.
30	CG-15	The DEIR was based on the most recent information available at the
31		time the document was drafted. The Final EIR includes the updated
32		information on page 4-45.